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THE RETIREMENT SYSTEMS OF ALABAMA

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MEMORANDUM

TO: RSA Retired Members
FROM: RSA Administration
RE: 2013 Tax Reporting
DATE: January 2014

The following information will assist you in the tax reporting of your retirement benefit for the 2013 calendar year. Your Alabama state retirement benefits are generally **taxable for Federal Income Tax purposes** and **exempt from Alabama Income Tax**. If you are a resident of a state other than Alabama, check with that state's revenue department to determine your tax status.

You should receive your **IRS Form 1099-R** from the RSA prior to January 31, 2014. If you have not received your form by February 6, 2014, please call our office toll-free at 877.517.0020 and request a duplicate. **We will not accept requests for duplicate forms prior to that date.**

The following information refers to specific boxes on the Form 1099-R:

- Box 1** **Gross Distribution:** This will be the total amount of your monthly benefit paid by the RSA during the 2013 calendar year.
- Box 2a** **Taxable Amount:** This is the taxable portion of the gross distribution which should be reported on your Federal Income Tax return
- Box 2b** **Blank** (Unless you received a death benefit payment)
- Box 3** **Zero**
- Box 4** **Federal Income Tax Withheld:** This is the amount of Federal Income Tax withheld from your retirement benefit checks during the 2013 calendar year.
- Box 5** **Employee Contributions:** This represents the return of your pre-taxed contributions to the RSA and is the difference between Box 1 and Box 2a. Not everyone will have a figure in this box; if Box 1 and Box 2a are the same, Box 5 will be zero. **PLEASE NOTE: THESE ARE NOT DESIGNATED ROTH CONTRIBUTIONS OR INSURANCE PREMIUMS.**
- Box 6** **Zero**

Box 7 **Distribution Code:** This code identifies the type of payment you received from the RSA. For retirees your distribution code should be one of the following:

<u>Distribution Code</u>	<u>Type Payment</u>
2	Monthly retirement benefits to a person less than age 59½ at the time of distribution
3	Monthly disability retirement benefits
4	Death benefits paid to you as beneficiary of a deceased member of the RSA
7	Normal monthly distribution to a person over age 59½
G	Direct rollover to a qualified plan, a tax-sheltered annuity, a governmental 457(b) plan, or an IRA. Use with code 4 if applicable

Box 8 **Zero**

Box 9a **Zero**

Box 9b **Total Employee Contributions:** This is an informational item and will be zero unless you are a first year retiree.

Box 10 **Zero**

Box 11 **Zero**

Box 12 **Zero**

Box 13 **State/Payers State Number: Will have "AL" in this box.**

Box 14 –17 **Zero or Blank**

Health Insurance: This provides the total amount of health insurance premiums deducted from your retirement checks during 2013. This is provided for those who use itemized deductions in filing their tax returns. This will be zero if you had no health insurance deductions from your retirement check.

Other Deductions: This is the total amount of deductions (other than health insurance) taken from your retirement checks during 2013. Examples of "Other Deductions" would be association dues and miscellaneous insurance premiums. This will be zero if you had no miscellaneous deductions from your retirement check.

You may wish to provide this memorandum along with the IRS Form 1099-R to the person who prepares your 2013 tax returns. If you prepare your own taxes, this memorandum should help answer any questions related to that process. If you have questions related to your tax liability or tax filing, contact a qualified tax professional.